



# CITY OF HOUSTON

Finance Department

## Interoffice

Correspondence

To: Mayor Bill White  
Members of City Council

From: Michelle Mitchell, Director  
Finance

Date: May 1, 2009

Subject: **MARCH MONTHLY FINANCIAL AND  
OPERATIONS REPORT**

Attached is the Monthly Financial and Operations Report for the period ending March 31, 2009.

### General Fund

Our projection for the General Fund revenue is \$17.3 million higher than last month principally due to the following:

- Our projection for Property Taxes increased by \$3.8 million as a result of Lyondell's unexpected payment of \$2.2 million and higher than anticipated collections.
- Our projection for Intergovernmental decreased by \$750,000 to reflect the reporting of TIRZ reimbursement for Police station construction in the Equipment/Project Fund (Fund 1850).
- Our projection for Direct Interfund Services decreased by \$438,000 due to a reduction in the number of bridges constructed in the Bridge Replacement Operation and less than anticipated Interfund Airport Police Services.
- Our projection for Transfers from Other Funds increased by \$14.8 million due to \$13.6 million in transfers made as part of the General Appropriation Ordinance and an administrative transfer from unused funds in the Grant Matching Fund in the amount of \$1.2 million.

Our projection for General Fund expenditures is approximately \$2 million lower than last month. This is principally due to a \$4 million decrease in departmental spending and a \$2 million dollar increase in General Government due to the General Fund Contingency increase passed in the General Appropriation Ordinance. The major changes in departmental spending include:

- General Appropriation Adjustments
  - General Services increased by \$438,000.
  - Municipal Courts Admin increased by \$679,000.
  - General Government increased by \$1.9 million.
- Human Resources decreased by \$416,000 primarily due to vacancies within the department.
- Police decreased by \$3.8 million due to savings in workers' compensation and the Phase Down Program.

April 29, 2009

We are projecting the ending unreserved undesignated fund balance of approximately \$211 million, which is 12.6% of estimated expenditures less debt service.

## **Enterprise Funds**

### **Aviation**

- Operating revenues decreased by \$1.2 million due to a decline in originating passengers.
- Operating expenses increased by \$1.3 million primarily due to increases in insurance fees, communications, communications equipment, management consulting, and office furniture.
- Non-operating revenues increased by \$1.9 million as a result of an increase in donated assets of \$1.4 million and an increase in the sale of land of \$1.1 million offset by an operating revenue re-classification of \$500,000.

### **Convention and Entertainment**

- Convention and Entertainment continues to work towards improving Net Income by the end of the year. Net Income increased by \$808,000 based on lower expenses, higher revenue, revisions of project schedules, and a decrease in debt service payments.

### **Parking Management**

- Net income decreased by \$276,000 primarily due to \$111,000 for replacement parts for old parking meters and \$167,000 for indirect cost recovery payment.

### **Combined Utility System**

- Operating expenses increased by \$1.9 million mainly due to a \$600,000 increase in infrastructure maintenance, a \$550,000 increase in computer equipment services, and a \$1 million increase in legal services related to the suit for drilling around Lake Houston offset by a \$1.1 million decrease in personnel services.
- Non-operating revenue decreased by \$1.9 million primarily as a result of reduced land sales and lower interest rates on pooled investments.
- Operating transfers decreased by \$5.4 million due to rollovers in vehicle purchases and equipment and contract delays with the radio rebranding project.

## **Risk Management Funds**

### **Workers Compensation Fund**

- Workers compensation expenses decreased by \$1.6 million due to lower claims experience and vacancies within the department.

## **Special Revenue and Other Funds**

### **Building Inspection**

- Operating expenses decreased by \$393,000 due to continued personnel vacancies.

April 29, 2009

- Operating transfer in the amount of \$5 million to the general fund was approved by Council in the General Appropriation Ordinance.

#### Digital Houston

- Operating transfer in the amount of \$500,000 to the general fund was approved by Council in the General Appropriation Ordinance.

#### Mobility Response Fund

- Operating expenses decreased by \$396,000 primarily due to personnel vacancies.

#### Police Special Services

- Operating revenues increased by \$1.3 million due to rate increases in alarm fees.
- Operating expenses decreased by \$718,000 primarily as a result of lower fuel usage, delay in hiring helicopter expansion personnel, security services transferring to DARLEP, and equipment cost savings.

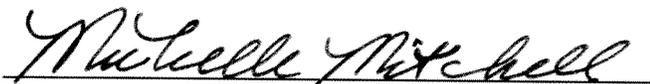
#### Technology Fee Fund

- Operating expenses decreased by \$1.8 million due to savings in current year spending.

#### **Hurricane Ike Aid & Recovery Fund**

As of March 31, 2009, the City has submitted documentation to FEMA for the processing of project worksheets totaling \$159.8 million, consisting of emergency work in the amount of \$151.8 million and permanent work for \$8.0 million. To date, FEMA has obligated \$113.7 million. The City has also received insurance advances in the amount of \$5.0 million.

If you have any questions, please feel free to contact me.



Michelle Mitchell, Director